

Congressman Jim Jordan (R-OH), Chairman

October 7, 2009

## Agriculture Conference Report to be Considered This Week

**Today**, the House will consider the \$23.3 billion FY 2010 Agriculture bill conference report, which is **\$2.8 billion** or **13.9%** above last year. The bill is also **\$5.2 billion** or **28.8%** above FY 2008. This is on top of **\$7.9 billion** of emergency spending for agriculture programs in FY 2009. Notable spending choices in the bill: \$3.2 billion for the **FDA** (the FDA will have received a 54% increase compared to just four years ago under this bill), \$1.69 billion for the **Food for Peace Program** (a \$462 million increase on top of the \$700 million of emergency-designated spending in the FY 2009 supplemental), \$400 million for **Broadband Telecommunication Loans** (which received *\$2.5 billion* earlier this year as part of the so-called stimulus).

## Democrats Add VAT to Tax Increases That Are “On the Table”

**This week**, Speaker Pelosi said that a new value-added tax should be on “the table,” along with various other new tax increases that Democrats may consider later this Congress. The President and Congressional Democrats have proposed various other tax increases, including:

**Cigarette Taxes:** The SCHIP reauthorization increased taxes by \$72.1 billion over ten years, including a 62 cent tax increase on cigarettes.

**National Energy Tax:** Earlier this year, the House passed legislation to enact an \$846 billion over ten years National Energy Tax.

**Quote of the Week:** *“But we can't keep spending good money after bad. All across America, families are making hard choices, and now we're going to have to do the same.”*

**-President Obama March 4, 2009**

**Higher Income Tax Rates:** The President's budget reinstates the 39.6% and 36% income tax rates. In addition, Chairman Rangel introduced legislation to “pay for” AMT repeal by increasing the top income tax rate to 44.2% (including the effects of both allowing the 2001 and 2003 tax rates to expire and the new “surtax”).

**Death Tax:** The President's budget reimposes the death tax, which under current law is eliminated in 2010. The President's budget would instead put the tax back into effect for 2010 with a 45% rate.

**Capital Gains Taxes:** The President's budget increases the top rate from 15% to 20%.

**Charitable Deduction/Mortgage Deduction:** The President's budget lowers the value of the charitable deduction (which will harm charitable giving) and the mortgage rate reduction (which will hurt housing prices) for taxpayers in the top two tax brackets.

**Payroll Tax Increase:** During the campaign, candidate Obama discussed increasing the Social Security tax on people making more than \$250,000 by eliminating the Social Security wage cap. In conjunction with allowing the 35% rate to go back up to 39.6%, this would cause the top marginal tax rate (not counting state and local taxes) to be 53.9%.

**Health Benefits:** Democrats have proposed new surtaxes on income, new taxes on health benefits, and a new individual mandate tax as part of health care reform.

**New Taxes on Driving:** Chairman Oberstar is looking at various tax increases as part of the next highway bill including a new “miles-driven tax,” as well as a higher gasoline tax.

**For more information, please contact Brad Watson at x69719**